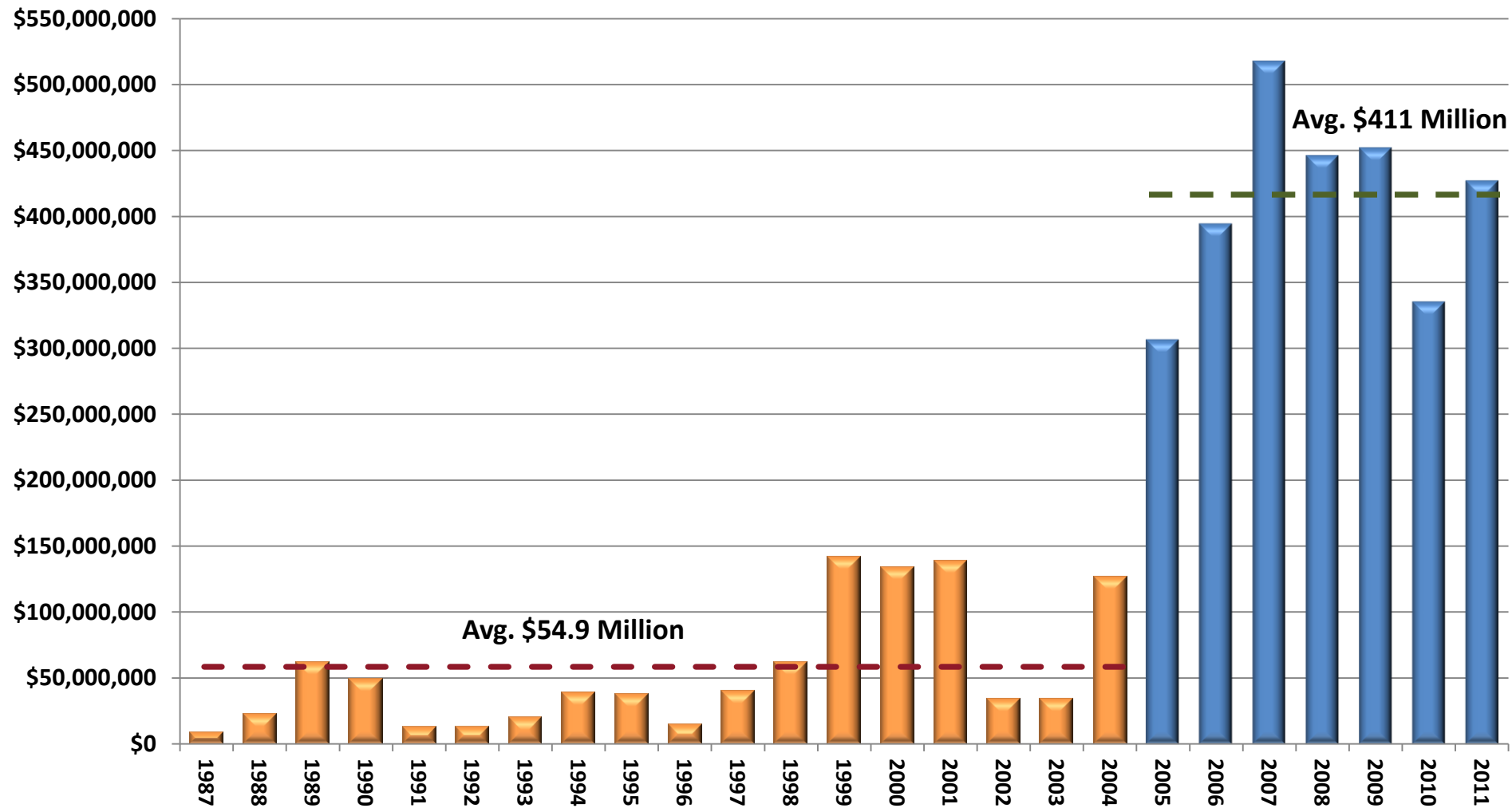


Montana Leads the Nation

- Adopting this plan puts Montana first among states in the nation in fixing its pension liability.
- Fitch Ratings already lists Montana as the 3rd best performing state.*

Record Budget Surpluses

Ending Cash Balance



Financial Management Comparison

Metric	Martz – Racicot Performance
	Source: Helena IR “USA Today: State Near Bottom in Spending Wisely” – June 24, 2003
Spending Restraint	1 of 4 stars
Bond Ratings	1 of 4 stars
Tax System	2 of 4 stars

TIED WITH MISSISSIPPI FOR 48th

Metric	Schweitzer Performance
Spending Restraint	Created \$160,000,000 in savings
Bond Ratings	Upgraded by all rating agencies (Moody’s – Aa2 to Aa1, S&P – AA- to AA, Fitch – AA to AA+)
Tax System	Ranked 8 th Best State by the Tax Foundation (ND – 29 th , ID – 21 th , OR – 13 th , UT – 10 th , NB – 30 th)

Montana's Public Pensions

Montana Constitution Article VIII, Section 15

“Public retirement systems shall be funded on an actuarially sound basis.”

Montana's Pensions with and without HB294

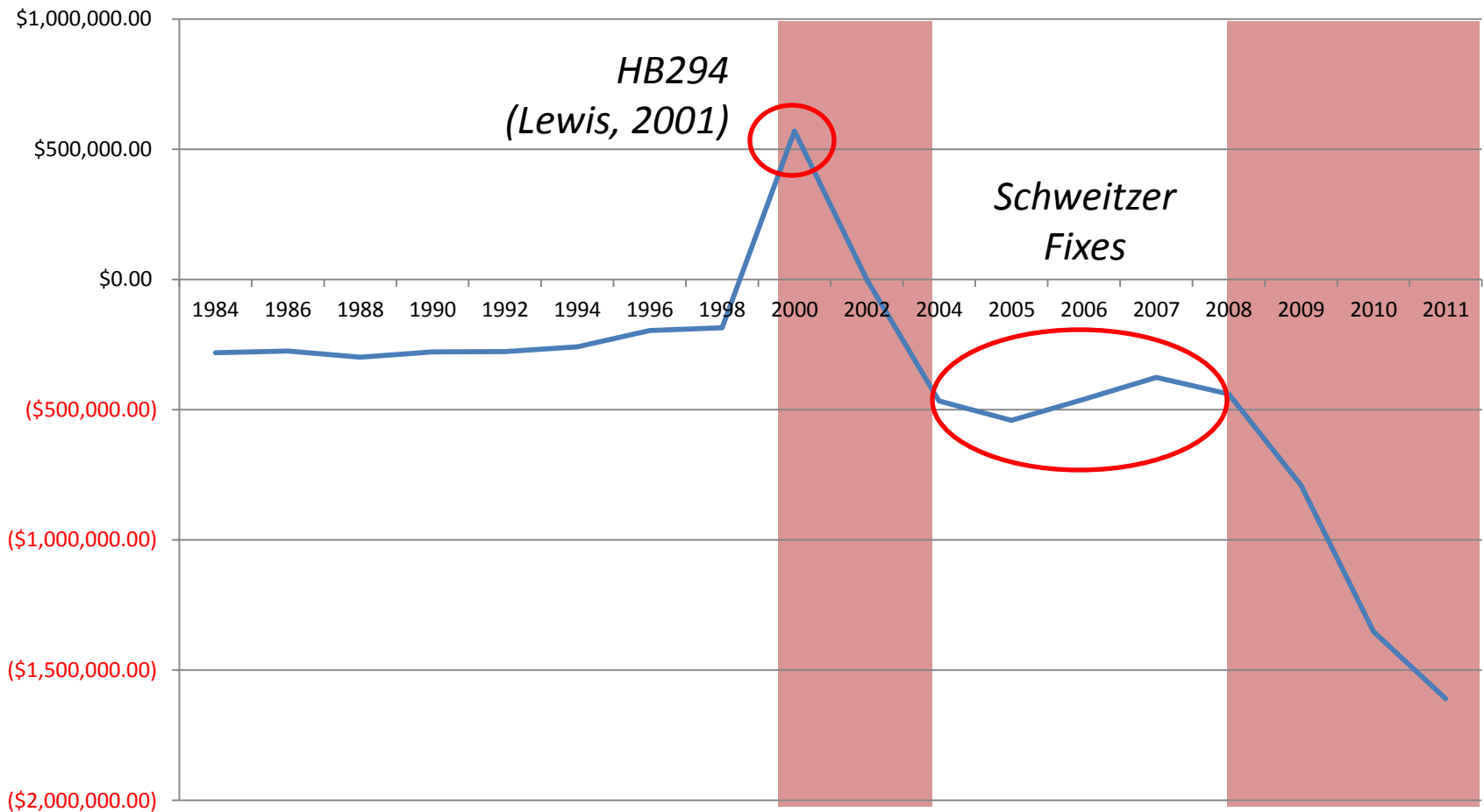
2010 Actuarial Valuation			
	Original Results	Without 3% GABA	Increase (Decrease)
Actuarial Balance Sheet (000's)			
Present Value of Benefits	\$ 6,260,271	\$ 5,375,483	\$ (884,788)
Future Normal Costs	1,018,452	924,967	(93,485)
Actuarial Liability	5,241,819	4,450,516	(791,303)
Actuarial Value of Assets	3,889,890	3,969,890	80,000
Unfunded Actuarial Liability	1,351,929	480,626	(871,303)
Funded Ratio	74.21%	89.20%	
Funding Rates			
Normal Cost Rate	12.61%	11.43%	-1.18%
Educational Fund	0.04%	0.04%	0.00%
Amortization Over 30 Years	6.43%	2.24%	-4.19%
Total Actuarial Funding Rate	19.08%	13.71%	-5.37%
Statutory Funding Rate	14.07%	14.07%	
Amortization Period	Does not amortize	23.4 years	

**With
HB294...**

**Without
HB294...**



Public Employee Retirement System Solvency



Public Employee and Teacher's Retirement Systems

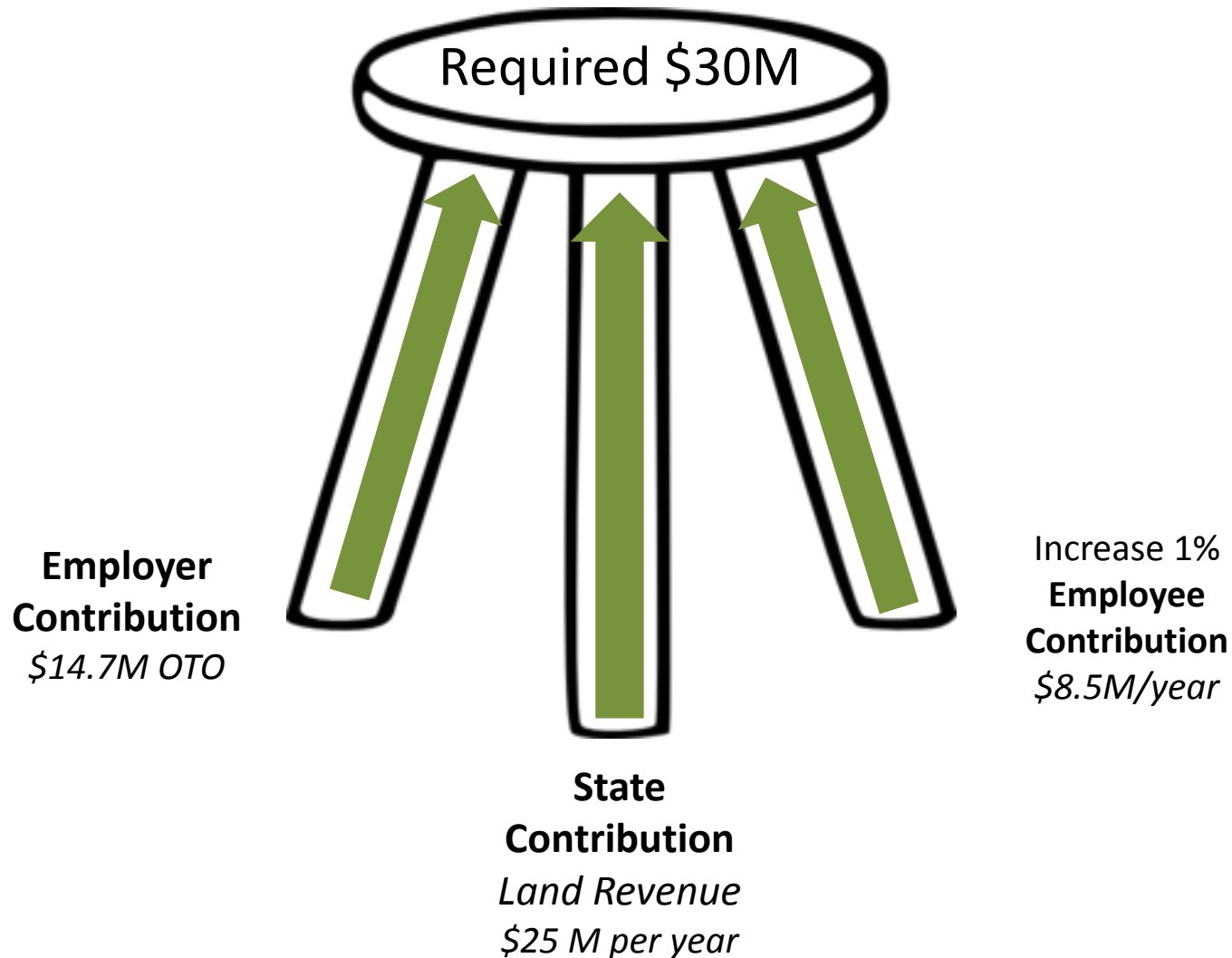
<u>Fiscal Year</u>	<u>Schweitzer Proposal</u>	<u>Legislature Adopted</u>
2005	\$100 million to TRS \$25 million to PERS	Adopted Schweitzer Plan
2007	Fix Ongoing Damage to PERS (<i>HB294 – Lewis, 2001 Doubling the Guaranteed Annual Benefit Adjustment</i>)	Adopted Schweitzer Plan
2007	\$100 million to TRS \$33 million to PERS	\$50 million to TRS \$33 million to PERS
2009	\$43 million to TRS	Legislature Rejected

Fixing Pension Shortfall

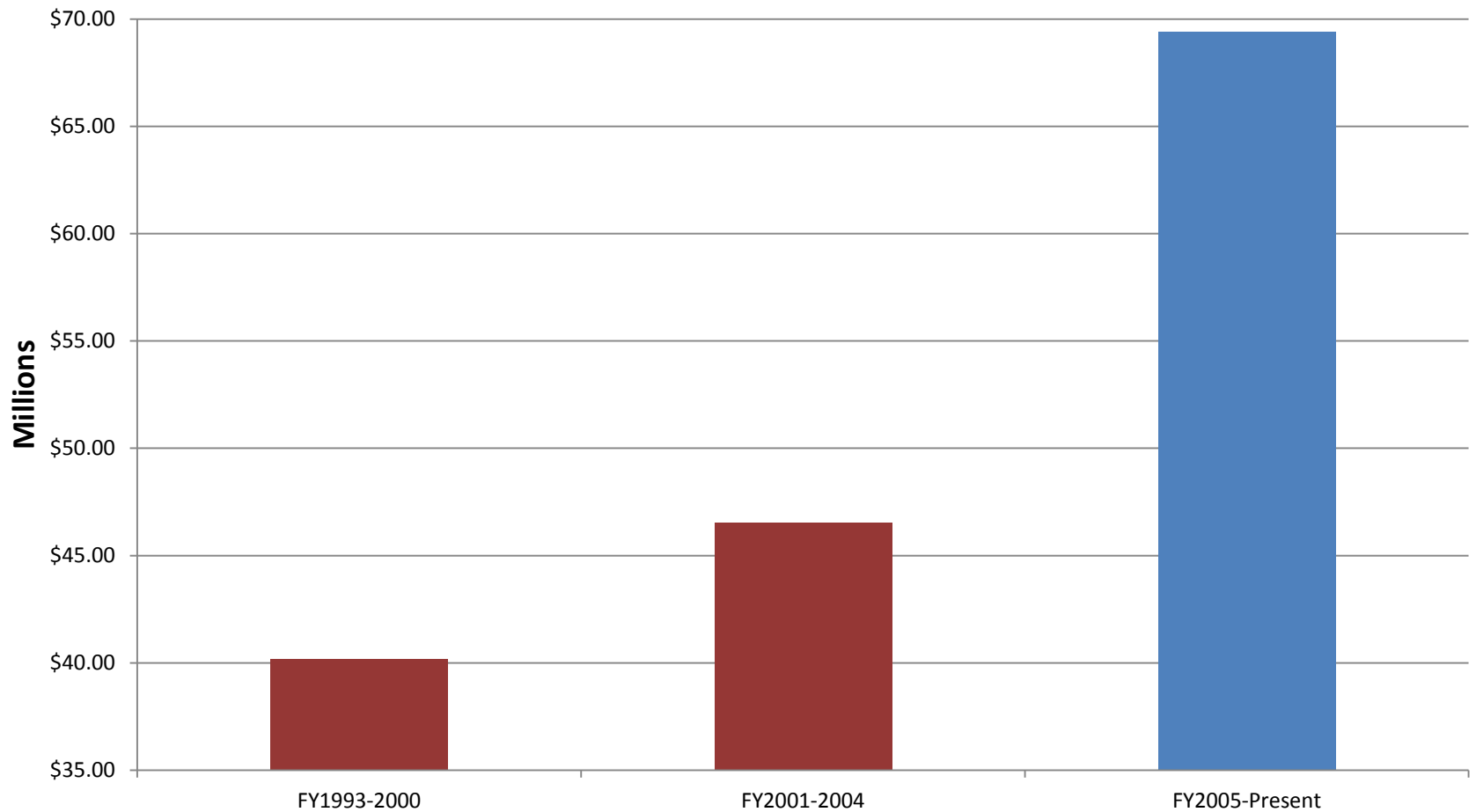
-It's like paying your mortgage-

- **TRS** needs an additional \$1.8 billion over 30 years
- **PERS** needs an additional \$1.6 billion over 30 years

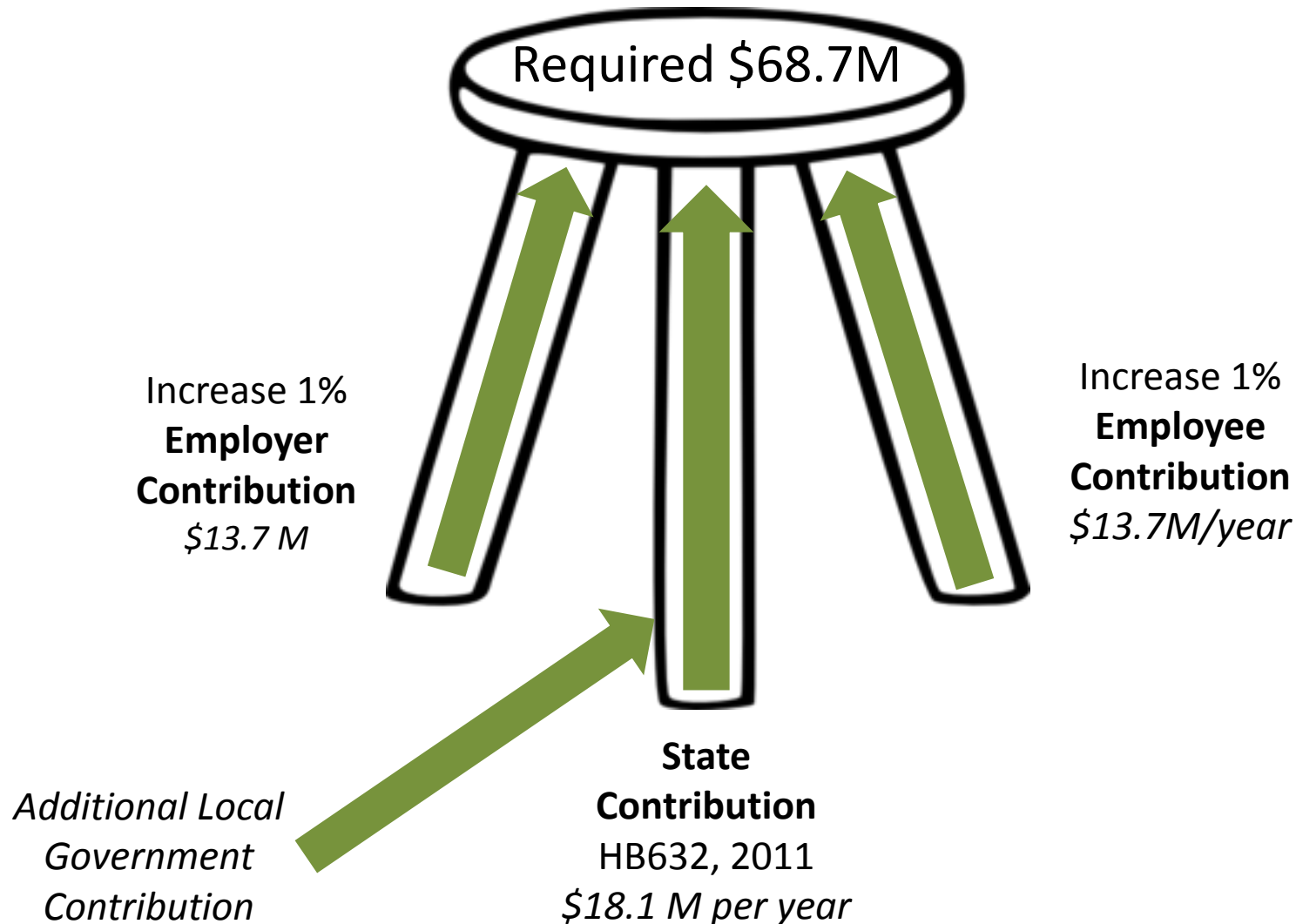
Pension Solutions for TRS with no tax increases



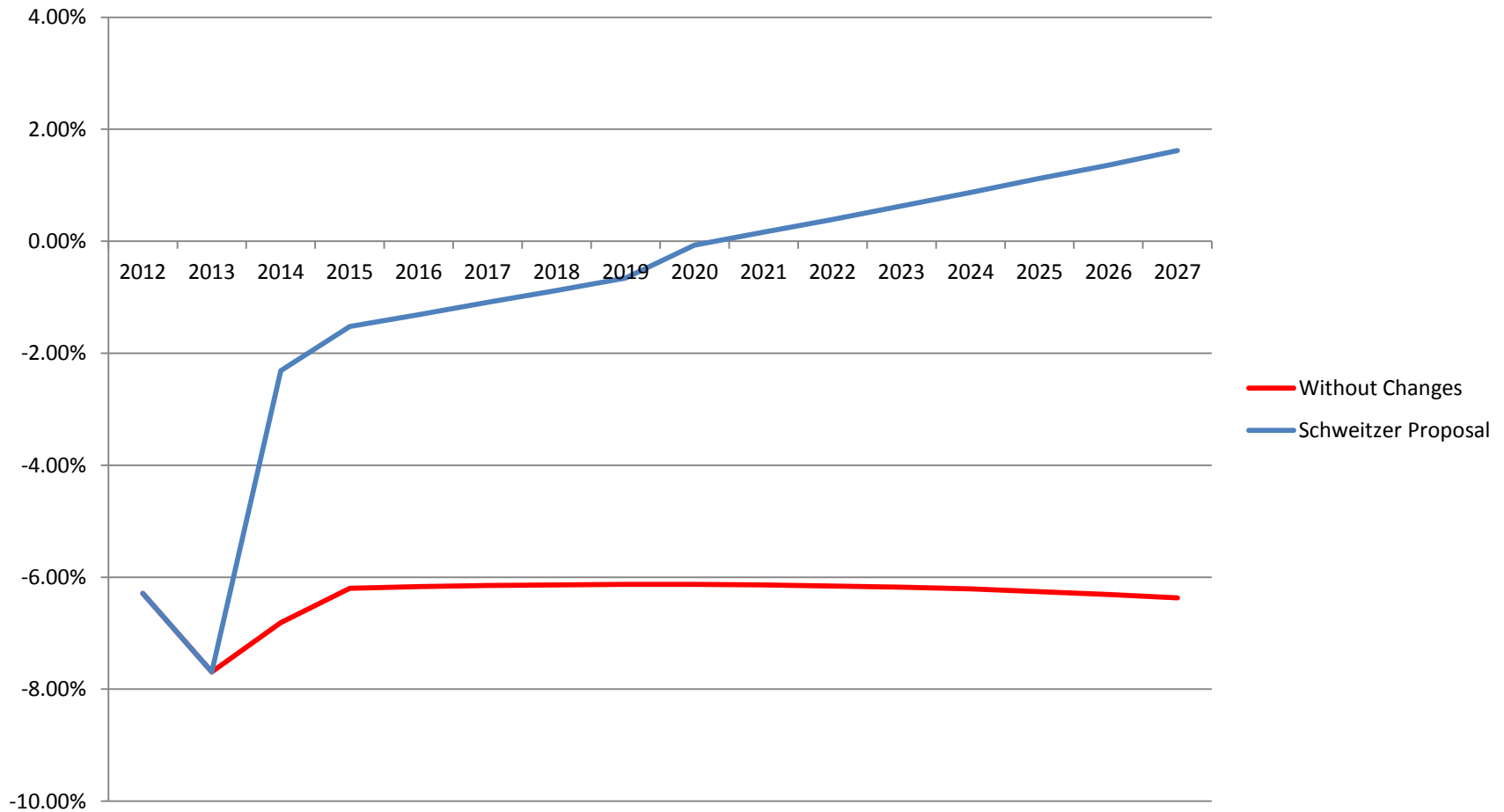
Average State Land Revenue



Pension Solutions for PERS with no tax increases



Public Employee Retirement System



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